

**REPORT OF THE AUDIT OF THE  
TRIGG COUNTY  
FISCAL COURT**

**For The Fiscal Year Ended  
June 30, 2005**

**Donna Bouvier  
Certified Public Accountant**

**Member: American Institute of Certified Public Accountants  
Kentucky Society of Certified Public Accountants**

## **EXECUTIVE SUMMARY**

### **AUDIT EXAMINATION OF THE TRIGG COUNTY FISCAL COURT**

**June 30, 2005**

I have completed the audit of the Trigg County Fiscal Court for fiscal year ended June 30, 2005.

I have issued an unqualified opinion on the governmental activities, each major fund and the aggregate remaining fund information of Trigg County, Kentucky.

#### **Financial Condition:**

The fiscal court had unrestricted net assets of \$969,128 in its governmental activities as of June 30, 2005, with total net assets of \$3,724,568.

#### **Deposits:**

The fiscal court deposits were insured and collateralized by bank securities as of June 30, 2005; however, the deposits were under collateralized by \$9,937 as of November 26, 2004.

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**Donna Bouvier  
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To the People of Kentucky  
Honorable Ernie Fletcher, Governor  
John R. Farris, Secretary  
Finance and Administration Cabinet  
Honorable Berlin Moore, Jr., Trigg County Judge/Executive  
Members of the Trigg County Fiscal Court

Independent Auditor's Report

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Trigg County, Kentucky, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Trigg County Fiscal Court. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Guide for Fiscal Court Audits* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Trigg County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Trigg County, Kentucky, as of June 30, 2005, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

To the People of Kentucky  
Honorable Ernie Fletcher, Governor  
John R. Farris, Secretary  
Finance and Administration Cabinet  
Honorable Berlin Moore, Jr., Trigg County Judge/Executive  
Members of the Trigg County Fiscal Court

In accordance with *Government Auditing Standards*, I have also issued my report dated October 9, 2006, on my consideration of Trigg County, Kentucky's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Respectfully submitted,

*Donna Bouvier*

Donna Bouvier  
Certified Public Accountant

October 9, 2006

TRIGG COUNTY OFFICIALS

For The Year Ended June 30, 2005

**Fiscal Court Members:**

Berlin Moore, Jr.	County Judge/Executive
Kevin Stroud	Magistrate
Tony Mitchell	Magistrate
Gene Wright	Magistrate
Lacy Bush	Magistrate
Kelly P'Pool	Magistrate
Larry Lawrence	Magistrate
Donnie Tyler	Magistrate

**Other Elected Officials:**

H. B. Quinn	County Attorney
Wanda Thomas	County Clerk
Pam Perry	Circuit Court Clerk
Randy Clerk	Sheriff
Glenn Cunningham	Jailer
Mike Bryan	Property Valuation Administrator
John R. Vinson, III	Coroner

**Appointed Personnel:**

Elsie Tinsley	County Treasurer
Ruth Anne Mitchell	Finance Officer
Tommy Hanberry	Road Supervisor

**BERLIN S. MOORE, JR.**  
**TRIGG COUNTY JUDGE/EXECUTIVE**  
**P O BOX 672 CADIZ, KENTUCKY 42211**  
**PHONE: 270-522-8459 FAX: 270-522-9489**  
**E-MAIL: tcjudge@vci.net**

**Management's Discussion and Analysis**

**June 30, 2005**

The financial management of Trigg County, Kentucky, offers readers of Trigg County's financial statement this narrative overview and analysis of the financial activities of Trigg County for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with other information that we have furnished in our financial statements and the notes to the financial statements.

**Financial Highlights**

- Trigg County has net capital assets of \$2,755,440 as of June 30, 2005. The fiscal court had unrestricted net assets of \$969,128 in its governmental activities as of June 30, 2005.
- The governmental activities total net assets increased by \$347,724 from the prior year. This increase is primarily due to increase in capital assets.
- At the close of the current fiscal year, Trigg County's balance sheet reported a fund balance of \$969,128. Of this amount, \$956,457 is available for spending at the government's discretion (unreserved fund balance).
- Trigg County had no indebtedness at the close of the fiscal year June 30, 2005.

**Overview of the Financial Statements**

This management discussion and analysis is intended to serve as an introduction to Trigg County's basic financial statements. Trigg County's basic financial statements are comprised of three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of Trigg County's finances in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on Trigg County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Trigg County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported on a modified cash basis of accounting.

Trigg County  
Management's Discussion and Analysis  
June 30, 2005  
(Continued)

### **Government-wide Financial Statements (Continued)**

Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and related assets and liabilities.

Under the county's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from a cash transaction, except for the recording of depreciation expenses on capital assets in the government-wide financial statements for all activities.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as amounts billed for services provided, but not collected) and accounts payable (expenses for goods and services received but not paid) or compensated absences are not recorded.

The government-wide financial statements distinguish functions of Trigg County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Trigg County's governmental activities include general governmental, protection to persons and property, roads, recreation and culture, and social services. Trigg County has no business type activity.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Trigg County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with legal and statutory requirements. All of the funds of Trigg County are *governmental funds*.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Trigg County maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge Fund, Jail Fund, and Local Government Economic Assistance (LGEA) Fund, all of which are considered major funds by Trigg County.

Trigg County adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the General Fund and each major special revenue fund to demonstrate compliance with their budgets.



Trigg County  
Management's Discussion and Analysis  
June 30, 2005  
(Continued)

**Government-wide Financial Analysis.**

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Net assets.** As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

**Table 1**  
**Trigg County's Net Assets**

	Governmental Activities		Amount	%
	2005	2004	Change	Change
Current and other assets	\$ 969,128	\$ 855,453	\$ 113,675	13.3%
Capital assets	2,755,440	2,524,291	231,149	9.2%
Total assets	3,724,568	3,379,744	344,824	10.2%
Long-term liabilities	-	2,900	(2,900)	-100.0%
Total liabilities	-	2,900	(2,900)	-100.0%
Net assets:				
Invested in capital assets, net of related debt	2,755,440	2,524,291	231,149	9.2%
Restricted	-	8,141	(8,141)	-100.0%
Unrestricted	969,128	844,412	124,716	14.8%
Total net assets	\$ 3,724,568	\$ 3,376,844	\$ 347,724	10.3%

**Changes in Net Assets**

*Governmental Activities.* Trigg County's net assets increased by \$347,724 in fiscal year 2005. Key elements of this are as follows:

- Current assets and cash increased \$113,675, due to increases in intergovernmental revenues.
- Investment in capital assets and infrastructure increased by \$231,149 because of road work.
- General fund revenues were \$1,995,962 and total revenues were \$3,410,354 as reflected in the Statement of Activities.
- Expenditures totaled \$3,062,630 as reflected in the Statement of Activities.

Trigg County  
Management's Discussion and Analysis  
June 30, 2005  
(Continued)

**Government-Wide Financial Analysis (Continued)**

**Table 2**  
**Trigg County's Comparison of**  
**Statement of Activities**

	Governmental Activities		Amount Change	% Change
	2005	2004		
<b>Revenues:</b>				
Taxes	\$ 1,400,108	\$ 1,283,606	\$ 116,502	9.1%
In lieu of tax payments	164,997	138,030	26,967	19.5%
Excess fees	43,362	29,248	14,114	48.3%
Interest	6,657	3,849		
Miscellaneous	130,738	86,375	44,363	51.4%
Intergovernmental revenues	172,961	300,991	(128,030)	-42.5%
Charges for services	99,159	50,572	48,587	96.1%
Operating grants and contributions	1,381,683	1,062,460	319,223	30.0%
Capital grants and contributions	10,689	312,903	(302,214)	-96.6%
<b>Total revenues</b>	<b>3,410,354</b>	<b>3,268,034</b>	<b>139,512</b>	<b>4.3%</b>
<b>Expenditures:</b>				
General government	879,297	803,346	75,951	9.5%
Protection to Persons and Properties	918,693	824,252	94,441	11.5%
General Health & Sanitation	249,442	222,086	27,356	12.3%
Social Services	9,661	4,240	5,421	127.9%
Recreation and Culture	153,339	136,576	16,763	12.3%
Roads	852,198	928,172	(75,974)	-8.2%
<b>Total expenditures</b>	<b>3,062,630</b>	<b>2,918,672</b>	<b>143,958</b>	
<b>Change in net assets</b>	<b>347,724</b>	<b>349,362</b>	<b>(4,446)</b>	<b>4.9%</b>
Beginning net assets	3,376,844	3,027,482	349,362	11.5%
<b>Ending net assets</b>	<b>\$ 3,724,568</b>	<b>\$ 3,376,844</b>	<b>\$ 344,916</b>	<b>10.2%</b>

**Financial Analysis of the County's Funds**

*Governmental Funds Overview.* The focus of Trigg County governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing Trigg County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the June 30, 2005 fiscal year, the combined ending fund balance of Trigg County governmental funds was \$969,128. Approximately 99% (\$956,457) of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes

Trigg County  
Management's Discussion and Analysis  
June 30, 2005  
(Continued)

**Financial Analysis of the County's Funds (Continued)**

of the specific funds. The remainder of fund balance (\$12,671) is reserved to indicate that it is not available for new spending because it is committed.

Trigg County has four major governmental funds. These are 1) General Fund; 2) Road and Bridge Fund; 3) Jail Fund; and 4) Local Government Economic Assistance Fund.

1. The General Fund is the chief operating fund of Trigg County. At the end of June 30, 2005 fiscal year, unreserved fund balance of the General Fund was \$420,081. The county received \$1,383,735 in real and personal property tax revenues. This accounts for approximately 69% of the general fund revenue. \$327,667 was received from federal, state and local governments for 16.4% of the county's general fund revenues. Various other miscellaneous revenues make up the remaining 14.6 % of revenues.
2. The Road and Bridge fund is the fund related to county road and bridge construction and maintenance. This fund had \$469,792 in fund balance at June 30, 2005. The fund balance at the end of the previous year was \$462,605. The fiscal year 2005 expenditures for road projects were \$1,183,533.
3. The Jail Fund is used to account for the operation of Trigg County's detention program. The Jail Fund had a fund balance at June 30, 2005, of \$6,901. That is a decrease in fund balance of \$4,813 over the previous fiscal year end. The Jail Fund received \$70,279 in revenues, primarily for housing prisoners. The General Fund contributed \$180,910 to the jail operations.
4. The Local Government Economic Assistance Fund has a fund balance of \$22,165 and that is an increase of \$1,018 over the previous fiscal year end.

**General Fund Budgetary Highlights.**

Trigg County's original budget was amended during the fiscal year increasing the operating budget by \$204,266. Budget amendments were made to all areas due to intergovernmental revenues, surplus carried forward, and increase in several accounts as opposed to projected collections.

Actual operating revenues were \$141,288 more than final budget of the Fiscal Court. This increase was primarily from tax and intergovernmental revenues.

Actual operating expenditures were \$125,123 less than amount originally budgeted by Fiscal Court.

Trigg County  
Management's Discussion and Analysis  
June 30, 2005  
(Continued)

**Capital Assets and Debt Administration.**

*Capital Assets.* Trigg County's investment in capital assets for its government type activities as of June 30, 2005, amounts to \$2,755,440 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, equipment and current year infrastructure additions.

**Table 3**  
**Trigg County's Capital Assets**

	Governmental Activities		Amount Change	% Change
	2005	2004		
Capital Assets				
Land and Buildings	1,608,612	1,641,551	(32,939)	-2.0%
Vehicles	302,870	261,681	41,189	15.7%
Equipment	394,658	429,173	(34,515)	-8.0%
Infrastructure	449,300	191,886	257,414	134.1%
Total	<u><u>\$ 2,755,440</u></u>	<u><u>\$ 2,524,291</u></u>	<u><u>\$ 231,149</u></u>	9.2%

*Long-Term Debt.* At the end of the 2005 fiscal year, Trigg County had no outstanding debt.

**Other Matters.** The following factors are expected to have a significant effect on the County's financial position or results of operations and were taken into account in developing the 2006 fiscal year budget:

- The 2006 fiscal year adopted budget continues most services at current levels with large increases in payroll benefits due to increased contributions to the retirement system.
- Included in this budget are pass through funds for voting machine improvements to provide for ADA requirements.
- The sheriff's office funding was increased by \$37,000 for car purchase and deputies salaries.
- The Emergency Management Director became full-time because of increased duties in Homeland Security measures.
- Predicted increased fuel and energy costs will adversely affect some operations.

**Requests for Information**

This financial report is designed to provide a general overview of Trigg County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this or requests for additional financial information should be addressed to the Trigg County Treasurer, P O Box 672, Cadiz, Kentucky, 42211.

*Berlin Moore, Jr.*

Trigg County Judge-Executive

**TRIGG COUNTY**  
**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS**

**June 30, 2005**

**TRIGG COUNTY**  
**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS**

**June 30, 2005**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 969,128
Total Current Assets	<u>969,128</u>
Noncurrent Assets:	
Capital Assets - Net of Accumulated Depreciation	
Land and Buildings	1,608,612
Vehicles	302,870
Equipment	394,658
Infrastructure Assets - Net of Depreciation	<u>449,300</u>
Total Noncurrent Assets	<u>2,755,440</u>
Total Assets	<u>3,724,568</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	2,755,440
Unrestricted	<u>969,128</u>
Total Net Assets	<u><u>\$ 3,724,568</u></u>

The accompanying notes are an integral part of the financial statements.

**TRIGG COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

**For The Year Ended June 30, 2005**

**TRIGG COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

**For The Year Ended June 30, 2005**

<b>Functions/Programs Reporting Entity</b>	<b>Program Revenues Received</b>				<b>Net (Expenses) Revenue and Changes in Net Assets</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 879,297	\$ 92,054	\$ 28,663	\$	\$ (758,580)
Protection to Persons and Property	918,693	7,105	94,933		(816,655)
General Health and Sanitation	249,442		25,524	10,689	(213,229)
Social Services	9,661				(9,661)
Recreation and Culture	153,339	-			(153,339)
Roads	852,198		1,232,563		380,365
Total Governmental Activities	<u>\$ 3,062,630</u>	<u>\$ 99,159</u>	<u>\$ 1,381,683</u>	<u>\$ 10,689</u>	<u>\$ (1,571,099)</u>
<b>General Revenues:</b>					
Taxes:					
Real and Personal Property Taxes					826,050
Insurance Premium Tax					276,147
Motor Vehicle Taxes					81,525
Other Taxes					216,386
In Lieu of Taxes					164,996
Excess Fees					43,363
Intergovernmental Revenues					
Not Restricted					172,961
Rental Income					29,011
Unrestricted Investment Earnings					6,657
Other Revenues					101,727
Total General Revenues					1,918,823
Change in Net Assets					347,724
Net Assets - Beginning					3,376,844
Net Assets - Ending					<u>\$ 3,724,568</u>

The accompanying notes are an integral part of the financial statements.



**TRIGG COUNTY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**

**June 30, 2005**

**TRIGG COUNTY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**

**June 30, 2005**

	<b>General Fund</b>	<b>Road And Bridge Fund</b>	<b>Jail Fund</b>	<b>Local Governmental Economic Assistance Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 470,270	\$ 469,792	\$ 6,901	\$ 22,165	\$ 969,128
Total Assets	<u>\$ 470,270</u>	<u>\$ 469,792</u>	<u>\$ 6,901</u>	<u>\$ 22,165</u>	<u>\$ 969,128</u>
<b>FUND BALANCES</b>					
Fund Balances:					
Reserved for:					
Encumbrances	\$ 189	\$ 10,811	\$ 1,671	\$ -	\$ 12,671
Unreserved:					
General Fund	470,081	-	-	-	470,081
Special Revenue Fund	<u>-</u>	<u>458,981</u>	<u>5,230</u>	<u>22,165</u>	<u>486,376</u>
Total Fund Balances	<u>\$ 470,270</u>	<u>\$ 469,792</u>	<u>\$ 6,901</u>	<u>\$ 22,165</u>	<u>\$ 969,128</u>

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets:**

Total Fund Balances	\$ 969,128
Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because:	
Capital Assets Used in Governmental Activities Are Not Financial Resources and Therefore Are Not Reported in the Funds.	3,870,984
Accumulated Depreciation	<u>(1,115,544)</u>
Net Assets of Governmental Activities	<u>\$ 3,724,568</u>

The accompanying notes are an integral part of the financial statements.

**TRIGG COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**

**For The Year Ended June 30, 2005**

**TRIGG COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**

**For The Year Ended June 30, 2005**

	<b>General Fund</b>	<b>Road And Bridge Fund</b>	<b>Jail Fund</b>	<b>Local Government Economic Assistance Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes	\$ 1,383,735	\$ -	\$ -	\$ -	\$ 1,383,735
In Lieu Tax Payments	164,997	-	-	-	164,997
Excess Fees	43,362	-	-	-	43,362
Licenses and Permits	16,372	-	-	-	16,372
Intergovernmental	327,667	1,232,563	60,104	25,524	1,645,858
Charges for Services	43,454	-	7,105	-	50,559
Miscellaneous	15,661	82,996	3,070	-	101,727
Interest	714	5,943	-	-	6,657
Total Revenues	<u>1,995,962</u>	<u>1,321,502</u>	<u>70,279</u>	<u>25,524</u>	<u>3,413,267</u>
<b>EXPENDITURES</b>					
General Government	751,224	-	-	-	751,224
Protection to Persons and Property	635,558	-	255,113	-	890,671
General Health and Sanitation	224,936	-	-	24,506	249,442
Social Services	9,661	-	-	-	9,661
Recreation and Culture	138,399	-	-	-	138,399
Roads	-	1,153,365	-	-	1,153,365
Debt Service	2,915	-	-	-	2,915
Administration	69,958	30,168	889	-	101,015
Total Expenditures	<u>1,832,651</u>	<u>1,183,533</u>	<u>256,002</u>	<u>24,506</u>	<u>3,296,692</u>
Excess (Deficiency) of Revenues Over Expenditures Before Transfers and Financing Sources (Uses)	<u>163,311</u>	<u>137,969</u>	<u>(185,723)</u>	<u>1,018</u>	<u>116,575</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from Other Funds	130,782	-	180,910	-	311,692
Transfers to Other Funds	(180,910)	(130,782)	-	-	(311,692)
Total Other Financing Sources (Uses)	<u>(50,128)</u>	<u>(130,782)</u>	<u>180,910</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	113,183	7,187	(4,813)	1,018	116,575
Fund Balances - Beginning	<u>357,087</u>	<u>462,605</u>	<u>11,714</u>	<u>21,147</u>	<u>852,553</u>
Fund Balances - Ending	<u>\$ 470,270</u>	<u>\$ 469,792</u>	<u>\$ 6,901</u>	<u>\$ 22,165</u>	<u>\$ 969,128</u>

The accompanying notes are an integral part of the financial statements.

**TRIGG COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

**For The Year Ended June 30, 2005**

**TRIGG COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

**For The Year Ended June 30, 2005**

**Reconciliation to the Statement of Activities:**

Net Change in Fund Balances - Total Governmental Funds	\$ 116,575
Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities the Cost of those Assets Are Allocated Over their Estimated Useful Lives and Reported as Depreciation Expense.	
Capital Outlay	391,668
Depreciation Expense	<u>(160,519)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 347,724</u></u>

The accompanying notes are an integral part of the financial statements.

**TRIGG COUNTY  
STATEMENT OF FIDUCIARY FUND NET ASSETS  
MODIFIED CASH BASIS**

**June 30, 2005**

**TRIGG COUNTY**  
**STATEMENT OF FIDUCIARY FUND NET ASSETS**  
**MODIFIED CASH BASIS**

**June 30, 2005**

	<u><b>Agency Funds</b></u>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	<u>\$      15,221</u>
Total Assets	<u>          15,221</u>
<b>Liabilities</b>	
Amounts Held In Custody For Others	<u>          15,221</u>
Total Liabilities	<u>          15,221</u>
<b>Net Assets</b>	
Total Net Assets	<u><u>          \$          0</u></u>

The accompanying notes are an integral part of the financial statements.



**INDEX FOR NOTES  
TO THE FINANCIAL STATEMENTS**

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**TRIGG COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2005**

**Note 1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The county presents its government-wide and fund financial statements in accordance with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Notes receivable are recognized on the Statement of Net Assets, but notes receivable are not included and recognized on the Balance Sheet - Governmental Funds. Property tax receivables, accounts payable, compensated absences, and donated assets, among other items, are not reflected in the financial statements.

Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance (Reserved for Encumbrances).

The State Local Finance Officer does not require the county to report capital assets and infrastructure; however the value of these assets is included in the Statement of Net Assets and the corresponding depreciation expense is included on the Statement of Activities.

**B. Reporting Entity**

The financial statements of Trigg County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14 and GASB 39, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14 and GASB 39, there are no component units which merit consideration as part of the reporting entity.

**C. Trigg County Elected Officials**

Kentucky law provides for election of the below officials from the geographic area constituting Trigg County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statements of Trigg County, Kentucky.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

**Trigg County**  
**Notes to Financial Statements**  
**June 30, 2005**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support. Business-type revenues are derived mostly from fees charged to external parties for goods or services; however, Trigg County, Kentucky does not have any business-type activities. Fiduciary funds are not included in these financial statements due to the unavailability of fiduciary funds to aid in the support of governmental programs.

The statement of net assets presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as net assets. Net assets are reported in three categories: 1) invested in capital assets, net of related debt - consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of those assets; 2) restricted net assets - resulting from constraints placed on net assets by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation; 3) unrestricted net assets - those assets that do not meet the definition of restricted net assets or invested in capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) operating grants and contributions; and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources such as taxes and unrestricted state funds are reported as general revenues.

Funds are characterized as either major or non-major. Major funds are those whose assets, liabilities, revenues, or expenditures/expenses are at least ten percent of the corresponding total (assets, liabilities, etc.) for all funds or type (governmental or proprietary) and whose total assets, liabilities, revenues, or expenditures/expenses are at least five percent of the corresponding total for all governmental and enterprise funds combined. The fiscal court may also designate any fund as a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds.

**Governmental Funds**

The primary government reports the following major governmental funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Governor's Office for Local Development requires a separate fund or where management requires that a separate fund be used for some function.

**Trigg County**  
**Notes to Financial Statements**  
**June 30, 2005**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Government-wide and Fund Financial Statements (Continued)**

Road and Bridge Fund - This fund is for road and bridge construction and repair. The primary source of revenue for this fund is state payments for truck license distribution, municipal road aid, and transportation grants. The Governor's Office for Local Development requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of revenue for this fund are reimbursements from the state and federal government, payments from other counties for housing prisoners, and transfers from the General Fund. The Governor's Office for Local Development requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Local Government Economic Assistance Fund - The purpose of this fund is to account for the general health/sanitation expenses of the county. The primary source of revenue for this fund is mineral severance payments from the state government. The Governor's Office for Local Development requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Generally, and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) September 1, due at discount November 1, due at face value December 31, delinquent January 1 following the assessment, and subject to lien and sale the 3<sup>rd</sup> Saturday in April following the delinquency date.

Special Revenue Funds:

The Road and Bridge Fund, Jail Fund, and Local Government Economic Assistance Fund are special revenue funds. Special revenue funds are used to account for the proceeds of specific revenue sources and expenditures that are legally restricted for specific purposes.

**Fiduciary Funds**

Agency Funds

Agency funds account for assets held by the County in a purely custodial capacity. The reporting entity includes two agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency funds are as follows:

<b>Fund</b>	<b>Brief Description</b>
Social Security Fund	Accounts for monies withheld from employees gross wages to be turned over to various agencies.
Smart Flex Fund	Accounts for monies withheld from employees gross wages for healthcare benefits.

**Trigg County**  
**Notes to Financial Statements**  
**June 30, 2005**  
**(Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**E. Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

**F. Capital Assets**

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported in the applicable governmental or business-type activities of the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and Construction In Progress are not depreciated. Interest incurred during construction is not capitalized. Capital assets and infrastructure are depreciated using the straight-line method of depreciation over the estimated useful life of the asset.

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**G. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable financial statements. The principal amount of bonds, long-term loan agreements, and financing obligations are reported.

In the fund financial statements, governmental funds recognize bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt proceeds are reported as other financing sources.

## **Note 1. Summary of Significant Accounting Policies (Continued)**

### **H. Fund Equity**

In the fund financial statements, the difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into reserved and unreserved components, with unreserved considered available for new spending. Unreserved fund balances may be divided into designated and undesignated portions. Designations represent fiscal court's intended use of the resources and should reflect actual plans approved by the fiscal court.

Governmental funds report reservations of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose and encumbrances.

"Reserved for Encumbrances" are purchase orders that will be fulfilled in a subsequent fiscal period. Although the purchase order or contract creates a legal commitment, the fiscal court incurs no liability until performance has occurred on the part of the party with whom the fiscal court has entered into the arrangement. When a government intends to honor outstanding commitments in subsequent periods, such amounts are encumbered. Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however, encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance.

### **I. Budgetary Information**

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

### **J. Jointly Governed Organizations**

A jointly governed organization is an entity that results from a multi-governmental arrangement that is governed by representatives from each participating government. The entity provides services to the citizens of each participating government, but there is no ongoing financial interest or responsibility by the participating government. The jointly governed organization can act independently of each of the participating governments. Based on these criteria, the following are considered jointly governed organizations of Trigg County Fiscal Court: Trigg County - Cadiz, KY Tourist Commission and Trigg County - Cadiz, KY Planning and Zoning Commission, and Trigg County Public Hospital Corporation.

## **Note 1. Summary of Significant Accounting Policies (Continued)**

### **K. Related Organization**

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Trigg County Fiscal Court: Trigg County Industrial Development, Trigg County Senior Citizens, Trigg County Ambulance Service, Trigg County Water Districts, Trigg County Conservation District, Trigg County Library, and Trigg County Extension Service.

### **Note 2. Deposits**

The County maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1) (d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the County and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, and (c) an official record of the depository institution.

Custodial credit is the risk that in the event of a depository institution's failure, the County's deposits may not be returned to the County. The County does not have a deposit policy for custodial credit risk, but rather follows the requirements of KRS 41.240 (4). As of June 30, 2005, all deposits were covered by FDIC insurance or a properly executed collateral security agreement. However, as of November 26, 2004, \$9,937 of the county's deposits were exposed to custodial credit risk as follows:

- \$9,937 – unsecured and uninsured

### Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

Primary Government	Reporting Entity			
	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets:				
Land and Buildings	\$ 2,254,000	\$ -	\$ -	\$ 2,254,000
Vehicles	422,130	88,100		510,230
Equipment	607,243	27,303		634,546
Infrastructure	195,943	276,265		472,208
Total Capital Assets	3,479,316	391,668		3,870,984
Less Accumulated Depreciation for:				
Buildings	(612,449)	(32,939)		(645,388)
Vehicles	(160,449)	(46,911)		(207,360)
Equipment	(178,070)	(61,818)		(239,888)
Infrastructure	(4,057)	(18,851)		(22,908)
Total Accumulated Depreciation	(955,025)	(160,519)		(1,115,544)
Government Activities Capital Assets, Net	\$ 2,524,291	\$ 231,149	\$ -	\$ 2,755,440

Depreciation expense was charged to functions of the primary government as follows:

### Error! Not a valid link.Note 4. Changes In Long-term Liabilities

On July 23, 1997, the Trigg County Fiscal Court entered into a capital lease agreement with the Kentucky Area Development District Financing Trust for \$100,000. The proceeds passed through the county's budget to the American Legion so a reduced rate of interest could be received on the loan. The American Legion used the proceeds to construct a swimming pool. The American Legion paid the yearly debt requirements. The loan was closed during the current fiscal year.

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Trigg County  
Notes to Financial Statements  
June 30, 2005  
(Continued)

### Note 4. Changes In Long-term Liabilities (Continued)

Long-term liability activity for the year ended June 30, 2005, was as follows:

### Error! Not a valid link.Note 5. Employee Retirement System



The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost-sharing multiple-employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.48 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement System, 1260 Louisville Road, Frankfort, Ky 40601-6124, or by telephone at (502) 564-4646.

#### **Note 6. Insurance**

For the fiscal year ended June 30, 2005, Trigg County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

#### **Note 7. Interfund Transfers**

The following transfers were made during the year:

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Jail	Support for Jail Operations	\$ 180,910
Road & Bridge	General	Administrative Costs	130,782
			<u>\$ 311,692</u>

**TRIGG COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Required Supplementary Information - Modified Cash Basis**  
**For The Year Ended June 30, 2005**

**TRIGG COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Required Supplementary Information - Modified Cash Basis**

**For The Year Ended June 30, 2005**

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,222,195	\$ 1,277,897	\$ 1,383,735	\$ 105,838
In Lieu Tax Payments	169,025	169,025	164,997	(4,028)
Excess Fees	33,713	47,449	43,362	(4,087)
Licenses and Permits	15,950	15,950	16,372	422
Intergovernmental Revenue	256,525	291,353	327,667	36,314
Charges for Services	37,000	37,000	43,454	6,454
Miscellaneous	15,000	15,000	15,661	661
Interest	1,000	1,000	714	(286)
Total Revenues	1,750,408	1,854,674	1,995,962	141,288
EXPENDITURES				
General Government	532,175	550,207	751,224	(201,017)
Protection to Persons and Property	598,582	633,410	635,558	(2,148)
General Health and Sanitation	203,787	217,425	224,936	(7,511)
Social Services	8,500	8,500	9,661	(1,161)
Recreation and Culture	121,200	121,200	138,399	(17,199)
Debt Service	-	-	2,915	(2,915)
Administration	289,264	427,032	69,958	357,074
Total Expenditures	1,753,508	1,957,774	1,832,651	125,123
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)				
	(3,100)	(103,100)	163,311	266,411
OTHER FINANCING SOURCES (USES)				
Transfers in from Other Funds	130,782	130,782	130,782	-
Transfers Out to Other Funds	(227,682)	(227,682)	(180,910)	46,772
Total Other Financing Sources and Uses	(96,900)	(96,900)	(50,128)	46,772
Net Changes in Fund Balances	(100,000)	(200,000)	113,183	313,183
Fund Balances - Beginning	100,000	200,000	357,087	157,087
Fund Balances - Ending	\$ 0	\$ 0	\$ 470,270	\$ 470,270

**TRIGG COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Required Supplementary Information - Modified Cash Basis**  
**For The Year Ended June 30, 2005 (Continued)**

	<b>ROAD AND BRIDGE FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts, (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 951,588	\$ 1,240,818	\$ 1,232,563	\$ (8,255)
Miscellaneous	6,000	72,678	82,996	10,318
Interest	3,000	3,000	5,943	2,943
Total Revenues	<u>960,588</u>	<u>1,316,496</u>	<u>1,321,502</u>	<u>5,006</u>
<b>EXPENDITURES</b>				
Roads	696,734	1,152,642	1,153,365	(723)
Administration	<u>133,072</u>	<u>133,072</u>	<u>30,168</u>	<u>102,904</u>
Total Expenditures	<u>829,806</u>	<u>1,285,714</u>	<u>1,183,533</u>	<u>102,181</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>130,782</u>	<u>30,782</u>	<u>137,969</u>	<u>107,187</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from Other Funds	<u>(130,782)</u>	<u>(130,782)</u>	<u>(130,782)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>(130,782)</u>	<u>(130,782)</u>	<u>(130,782)</u>	<u>-</u>
Net Changes in Fund Balances	-	(100,000)	7,187	107,187
Fund Balances - Beginning	<u>-</u>	<u>100,000</u>	<u>462,605</u>	<u>362,605</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 469,792</u>	<u>\$ 469,792</u>

**TRIGG COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Required Supplementary Information - Modified Cash Basis**  
**For The Year Ended June 30, 2005 (Continued)**

JAIL FUND					
Budgeted Amounts			Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
Original	Final				
REVENUES					
Intergovernmental Revenue	\$ 47,234	\$ 47,234	\$ 60,104	\$ 12,870	
Charges for Services	9,000	9,000	7,105	(1,895)	
Miscellaneous	3,400	3,400	3,070	(330)	
Total Revenues	59,634	59,634	70,279	10,645	
EXPENDITURES					
Protection to Persons and Property	255,080	255,080	255,113	(33)	
Administration	32,236	42,236	889	41,347	
Total Expenditures	287,316	297,316	256,002	41,314	
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)					
	(227,682)	(237,682)	(185,723)	51,959	
OTHER FINANCING SOURCES					
Transfer From Other Funds	227,682	227,682	180,910	(46,772)	
Total Other Financing Sources	227,682	227,682	180,910	(46,772)	
Net Changes in Fund Balances					
	-	(10,000)	(4,813)	5,187	
Fund Balances - Beginning	-	10,000	11,714	1,714	
Fund Balances - Ending					
	\$ 0	\$ 0	\$ 6,901	\$ 6,901	

**TRIGG COUNTY**  
**BUDGETARY COMPARISON SCHEDULES**  
**Required Supplementary Information - Modified Cash Basis**  
**For The Year Ended June 30, 2005 (Continued)**

<b>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</b>				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 25,524	\$ 524
Total Revenues	25,000	25,000	25,524	524
<b>EXPENDITURES</b>				
General Health & Sanitation	55,000	55,000	24,506	30,494
Total Expenditures	55,000	55,000	24,506	30,494
Excess (Deficiency) of Revenues Over Expenditures	(30,000)	(30,000)	1,018	31,018
Net Changes in Fund Balances	(30,000)	(30,000)	1,018	31,018
Fund Balances - Beginning	30,000	30,000	21,147	(8,853)
Fund Balances - Ending	\$ 0	\$ 0	\$ 22,165	\$ 22,165

**TRIGG COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2005**

**Budgetary Information**

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

**TRIGG COUNTY  
COMBINING STATEMENT OF FUDUCIARY FUND NET ASSETS  
MODIFIED CASH BASIS**

**June 30, 2005**



**TRIGG COUNTY**  
**COMBINING STATEMENT OF FIDUCIARY FUND NET ASSETS**  
**MODIFIED CASH BASIS**

**June 30, 2005**

	<b>Social Security Fund</b>	<b>Employees' Health Benefit Fund</b>	<b>Totals</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 10,984	\$ 4,237	\$ 15,221
Total Assets	10,984	4,237	15,221
<b>Liabilities</b>			
Amounts Held In Custody For Others	10,984	4,237	15,221
Total Liabilities	10,984	4,237	15,221
<b>Net Assets</b>			
Total Net Assets	\$ 0	\$ 0	\$ 0

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

**Donna Bouvier**  
**Certified Public Accountant**  
**P O Box 150**  
**Hartford, KY 42347**  
**(270) 316-3771**

The Honorable Berlin Moore, Jr., Trigg County Judge/Executive  
Members of the Trigg County Fiscal Court

**Report On Internal Control Over Financial Reporting And On  
Compliance And Other Matters Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards**

I have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Trigg County, Kentucky, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements, as listed in the table of contents and have issued my report thereon dated October 9, 2006. Trigg County prepares its financial statements in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Trigg County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Trigg County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report On Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based On An Audit Of Financial  
Statements Performed In Accordance With *Government Auditing Standards*  
(Continued)

This report is intended solely for the information and use of Trigg County Fiscal Court and the Governor's Office for Local Development and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

*Donna Bouvier*

Donna Bouvier  
Certified Public Accountant

October 9, 2006

**CERTIFICATION OF COMPLIANCE -  
LOCAL GOVERNMENT ECONOMIC ASSISTANCE**

**TRIGG COUNTY FISCAL COURT**

**For The Fiscal Year Ended  
June 30, 2005**